

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket No: DTE 02-84  
Department's First Set of Information Requests

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**Request No.: DTE-1-14**

Refer to Schedule KMA-1, at 3. Please explain why the Company projects congestion transmission purchases (Column D) of \$43,477 for January and February? Reconcile these projections with the actual amounts for prior years for the same period.

**Response:**

As the Department knows, prior to Standard Market Design ("SMD") implementation, the cost of transmission congestion was spread to all Regional Network Service ("RNS") customers under the NEPOOL Open Access Transmission Tariff. At the time of the filing in this proceeding, December 20, 2002, FG&E projected congestion transmission purchases for January and February 2003 because NEPOOL SMD was not expected to be implemented until March 1, 2003. Upon the implementation of SMD, Locational Marginal Prices ("LMP") (rather than congestion transmission purchases) reflect the cost of transmission congestion; therefore, costs associated with congestion transmission purchases are no longer flowed through to RNS customers.

A subcomponent of congestion transmission purchases, Reliability Must-Run Agreements ("RMR Agreements") will continue to be billed to RNS customers after March 1, 2003. FG&E estimates RMR Agreements charges to be \$14,000 per month for the period of March 2003 through December 2003. This estimate for RMR does not appear in Schedule KMA-1. FG&E is providing this revised estimate for information purposes only.

Under the prior congestion pricing format, FG&E paid \$42,421 for congestion in January 2002 and \$43,644 for congestion in February 2002.

**Person Responsible:** Karen M. Asbury and David K. Foote